



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

erty of the plaintiff, whether it be realty, personalty or the intermediate type, a growing crop. Furthermore, an action for conversion may rest either upon possession or upon the right to possession, and the latter right was plainly violated by the defendant when he took into his possession the property of the plaintiff. There is an interesting short note on this case in 25 LAW QUARTERLY REVIEW, 210.

PRIZE JURISDICTION—CAPTURE ON INLAND WATERS.—During the recent war the British Government requisitioned, armed, and commissioned small trading vessels on Lake Victoria Nyanza in East Africa. The Victoria Nyanza is an inland lake having no navigable connection with the ocean. All but the smallest craft plying upon it were transported overland, either whole or in sections, and then assembled if necessary and launched. After being commissioned certain of these vessels made captures of enemy craft and property. *Held*, that captures by commissioned ships of His Majesty's Navy on the waters of Lake Victoria Nyanza are the subjects of jurisdiction in prize. *In the matter of Certain Craft Captured on the Victoria Nyanza*, L. R. [1919], 1 P. D. 83.

Whether jurisdiction in prize extends to inland waters seems to have been an unsettled question in the English law until the decision in the principal case. During the recent war, Sir Samuel Evans is reported to have awarded prize bounty to armed motor launches brought from England and launched on Lake Tanganyika, also an inland lake (Lloyd's List, March 19, 1917), but it appears that the question of prize jurisdiction was not discussed. See L. R. (1919), 1 P. D. 83, 85. The question was discussed at length in the principal case. The decision was founded upon the proposition (1) that all enemy property is *prima facie* liable to capture, except as the right of capture has been limited by the Law of Nations, and (2) that captures by commissioned naval forces on inland waters fall within none of the established limitations. The decision is a logical inference from the nature and scope of prize jurisdiction. See *Lindo v. Rodney* (1782), 2 Doug. 613 (Lord Mansfield); *Brown v. United States* (1814), 8 Cr. 110, 129, 137 (dissenting opinion of Justice Story); *The Roumanian*, L. R. (1915), P. D. 26, 37 (Sir Samuel Evans). "The prize jurisdiction does not depend upon locality, but upon the subject matter." Per Story, J., in *Brown v. United States*, 8 Cr. 110, 139. In the United States, admiralty jurisdiction in general extends to the Great Lakes and navigable waters connecting them. *The Propeller Genesee Chief et al. v. Fitzhugh et al.* (1851), 12 How. 443, 451; *The Cotton Plant* (1870), 10 Wall. 577, 581 (*semble*); *United States v. Rogers* (1893), 150 U. S. 249, 252 (*semble*). The admiralty courts exercised jurisdiction in prize over captures made on inland waters during the Civil War. *Six Hundred and Eighty Pieces of Merchandise* (1863), 22 Fed. Cas. 252; *United States v. Two Hundred and Sixty-Nine and One-Half Bales of Cotton* (1868), 28 Fed. Cas. 302 (*semble*). This seems also to have been the Italian and the German practice during the recent war. See L. R. (1919), 1 P. D. 83, 87. Capture would hardly fall within prize jurisdiction unless naval forces at least participated. See *The Rebeckah* (1799), 1 C. Rob. 227; *The Island of Trinidad* (1804), 5 C. Rob. 92;

*Capture of Chinsurah* (1809), Acton 179; *Thorshaven* (1809), Edw. Adm. 102; *The Buenos Ayres* (1811), 1 Dod. 28. It is also clear that the capture should result from operations on the sea or on navigable inland water, or at least from operations that are primarily naval in character. Compare cases just cited and the case of *Mrs. Alexander's Cotton* (1864), 2 Wall. 404. Compare also the case of *Six Hundred and Eighty Pieces of Merchandise*, *supra*, and *United States v. Two Hundred and Sixty-Nine and One-Half Bales of Cotton*, *supra*.

STOCK DIVIDENDS—AS INCOME OR CAPITAL—AS BETWEEN LIFE TENANT AND REMAINDERMAN.—MRS. D. by will created trusts in favor of her son and grandson, her property consisting largely of corporate stock; after her death several dividends were declared, payable in stock, part of which was declared by the corporation to be paid out of a surplus accumulated before testatrix's death, the remainder after. All these stock dividends were received by the executor during administration. *Held*: That stock dividends paid out of earnings accumulated after the death of a stockholder are income, and go to the life beneficiary of such trust; if paid out of earnings which accrued before the life estate arose, they are principal, belonging to the corpus of the estate. Declaration of directors of corporation as to the source of its dividends has no binding or even persuasive effect on the court in deciding this question. *In re Duffil's Estate* (Cal., 1919). 183 Pac. 337.

It was found as a matter of fact in this case that the issuing of these stock dividends did not reduce the value of the corpus of the estate, and that such were actually paid out of earnings of the corporation. In this case the California court had to decide, apparently for the first time, between the two rules existing on this subject, the one generally known as the "Massachusetts" rule,—followed by Mass., Conn., Me., R. I., Ill., D. C., some English cases, and one U. S. Supreme Court case,—and the "Pennsylvania" or "American" rule, followed by Ky., Tenn., Pa., N. Y., N. J., Minn., and probably other states. It adopted, without apparent hesitation, the latter rule. By the former rule, the "Massachusetts" rule, stock dividends, though declared after the death of the testator, out of earnings accumulating after such death, nevertheless become part of the corpus of the estate, and are not to be considered as income. This seems to be based on the principle that such profit is treated as an increase in the property of the corporation, and becomes part of the capital thereof, and that the interest therein represented by each share of stock is capital and not income. By the "Pennsylvania" rule, the one adopted in the case at hand—stock dividends, declared after the life estate arose, and paid out of earnings accrued thereafter, are income, going to the life beneficiary of a trust created by testator, as against the remainderman. A few cases may be found to hold to this ruling even where the stock dividend was paid out of earnings accruing before the life estate arose, if paid afterwards,—but this class of cases is rather to be doubted on principle. The reason of the rule adopted in the present case is that such a dividend is, in reality, based on earnings, whether called by one name or another, and is, in fact, the income of the capital invested; that it is rightfully and equitably the prop-